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(Original Signature of Member)

109TH CONGRESS
1ST SESSION

H. R. _____

To repeal the Federal death tax, including the estate and gift taxes and
the tax on generation-skipping transfers.

IN THE HOUSE OF REPRESENTATIVES

Mr. COX (for himself, Mr. BONILLA, Mrs. BLACKBURN, and Mr. FEENEY) in-
troduced the following bill; which was referred to the Committee on

A BILL

To repeal the Federal death tax, including the estate and
gift taxes and the tax on generation-skipping transfers.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Family Heritage Pres-
5 ervation Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that:

1 (1) Hard working American men and women
2 spend a lifetime saving to provide for their children
3 and grandchildren, paying taxes all the while.
4 Throughout their lives, they pay taxes on the income
5 and gains from their labor and their investment. Be-
6 cause of the heavy burden of income taxes, property
7 taxes, and other levies, it is enormously difficult to
8 accumulate savings for a family's future. Worst of
9 all, when the purpose of that hard earned saving is
10 about to be achieved, families discover that between
11 37 percent and 55 percent of their after-tax savings
12 are confiscated by Federal death taxes.

13 (2) These transfer, estate, and gift taxes punish
14 lifelong habits of thrift; they discourage entrepre-
15 neurship; they penalize families; and they have a
16 negative effect on other tax revenue sources.

17 (3) These taxes raise almost no material rev-
18 enue for the Federal Government. In fiscal year
19 2004, they produced about 1 percent of total Fed-
20 eral revenues.

21 (4) The waste and economic inefficiency caused
22 by death taxes is well known. American families em-
23 ploy legions of tax accountants and lawyers each
24 year to set up trusts and other prolix devices de-
25 signed to avoid these onerous levies. The make-work

1 imposed upon the economy comprises billions of dol-
2 lars.

3 (5) To pay these excessive taxes, many small
4 businesses must liquidate all or part of their assets.
5 By causing business closures, these taxes constrict
6 business activity, increase unemployment, and re-
7 duce tax revenues to the Federal Government.

8 (6) Repealing these taxes will ensure economic
9 fairness for all American families and businesses
10 and economic growth and prosperity for the Nation
11 as a whole.

12 **SEC. 3. REPEAL OF FEDERAL TRANSFER TAXES.**

13 (a) GENERAL RULE.—Subtitle B of the Internal Rev-
14 enue Code of 1986 (relating to estate, gift, and genera-
15 tion-skipping taxes) is hereby repealed.

16 (b) EFFECTIVE DATE.—The repeal made by sub-
17 section (a) shall apply to the estates of decedents dying,
18 and gifts and generation-skipping transfers made, after
19 December 31, 2004.